

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA



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In the Matter of Application of
CALIFORNIA-AMERICAN WATER
COMPANY (U 210 W) for an order authorizing it
to increase its rates for water service in its Los
Angeles District to increase revenues by
\$2,020,466 or 10.88% in the year 2007; \$634,659
or 3.08% in the year 2008; and \$666,422 or
3.14% in the year 2009.

A.06-01-005
(Filed January 9, 2006)

**PREHEARING CONFERENCE STATEMENT
OF THE DIVISION OF RATEPAYER ADVOCATES
FOR THE 11/20/07 PREHEARING CONFERENCE**

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November 16, 2007

Attorney for
DIVISION OF RATEPAYER ADVOCATES

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Pursuant to Rule 7.2 of the Commission's Rules of Practice and Procedure, and the ruling of Administrative Law Judge Walwyn at the October 17, 2007 Prehearing Conference,¹ the Division of Ratepayer Advocates (DRA) submits this Prehearing Conference Statement in anticipation of the Prehearing Conference scheduled for November 20, 2007.

Since the October 17, 2007 Prehearing Conference, DRA has met with interested parties and worked with California-American Water Company (Cal-Am) to renegotiate conservation rates and related regulatory accounting mechanisms, a Water Revenue Adjustment Mechanism (WRAM) and a Modified Cost Balancing Account (MCBA). At this time, it is difficult to estimate when the parties are likely to reach resolution of all issues, and be able to file a proposed settlement. DRA has informally discussed with Cal-Am the need to file such a settlement by the end of year, at the very latest. DRA currently believes that this is feasible.

With regard to other interested parties, the Cities of Duarte and Bradbury submitted pleadings on November 14, 2007 expressing concern about the allocation of capital improvement costs among the three service areas in the Los Angeles District.² The City of Duarte indicates that it is "willing to defer its concerns and objections to the 2009 GRC upon certain terms and

¹ Tr. 25:14-18.

² Objection Of The City Of Duarte, California To Adoption Of Settlement Agreement As To Rate Design Issues Between The Division Of Ratepayer Advocates And California American Water Company (Nov. 14, 2007) (Duarte Objection); Objection Of The City Of Bradbury, California To Adoption Of Settlement Agreement As To Rate Design Issues Between The Division Of Ratepayer Advocates And California American Water Company (Nov. 14, 2007) (Bradbury Objection).

conditions.”³ Duarte goes on to state that “If, and to the extent, that Cal-Am and DRA are generally amenable to the deferral of issues in this pleading to the 2009 GRC, based upon the terms and conditions generally set forth herein, Duarte is prepared to meet with all affected parties to attempt to negotiate mutually acceptable language.”⁴ At this time, DRA does not anticipate any objections to considering these issues in the 2009 GRC, and memorializing this expectation in a settlement.

DRA will be prepared to discuss these issues further at the Prehearing Conference.

Respectfully submitted,

/s/ NATALIE D. WALES

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³ Duarte Objection at 5.

⁴ Duarte Objection at 5-6.

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a copy of **“PREHEARING CONFERENCE STATEMENT OF THE DIVISION OF RATEPAYER ADVOCATES FOR THE 11/20/07 PREHEARING CONFERENCE”** in **A.06-01-005** by using the following service:

[X] **E-Mail Service:** sending the entire document as an attachment to all known parties of record who provided electronic mail addresses.

[X] **U.S. Mail Service:** mailing by first-class mail with postage prepaid to all known parties of record who did not provide electronic mail addresses, if any.

Executed on **November 16, 2007** at San Francisco, California.

/s/ ALBERT HILL

Albert Hill

N O T I C E

Parties should notify the Process Office, Public Utilities Commission, 505 Van Ness Avenue, Room 2000, San Francisco, CA 94102, of any change of address and/or e-mail address to insure that they continue to receive documents. You must indicate the proceeding number on the service list on which your name appears.

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A.06-01-005

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